

Michaud: "Congress Chooses Oil Companies over Working Families" in Energy Bill

Thursday, July 28 2005

Washington, D.C.-Congressman Michael H. Michaud today sided with Maine's working families in rejecting an energy bill that fails to lower gas prices, takes local control away from Maine communities in LNG siting, and does not take the most important steps to make America safer by reducing dependence on foreign oil. Despite some improvements over the House-passed energy bill, the legislation fails to promote a forward looking energy policy for the 21st century.

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"By supporting this energy bill, Congress chose the pocketbooks of oil companies over working families. Even people who have supported this failed legislation have admitted that it does nothing to help people at the pump. Just yesterday, the Secretary of Energy, Sam Bodman, said that are, 'no magic bullets in this law that will change energy prices in the next day, week or month,'" said Congressman Michaud.

The Conference Report for the Energy Policy Act of 2005 passed the House 275-156 Thursday afternoon. The legislation does not address the most significant energy issues that can reduce US fossil fuel consumption and increase domestic production of renewable energy. The bill fails to increase Corporate Average Fuel Economy (CAFE) Standards, create a Renewable Portfolio Standard (RPS), or require any reduction in greenhouse gas emissions that are responsible for global climate change.

"If we want to really address our energy use, we need to generate more electricity with renewable fuels, demand that automobile companies make cars that get better gas mileage, and take an honest look at climate change. Every time that Congress has required more fuel efficient cars, the auto industry has responded. Having more efficient cars would save Maine consumers money, and generating more electricity with renewable fuels could generate jobs in Maine and create new uses for wood products."

In addition to these broad concerns, there are a number of issues in the Energy Bill that are particularly troubling for Maine. The agreement gives the Federal Energy Regulatory Commission (FERC) "exclusive authority" to approve the construction, expansion or operation of a facility that imports or processes liquefied natural gas. The effect of the provision is to strip state and local authorities of the power to block such liquid natural gas importing or processing sites.

"One of my most serious concerns for Maine communities in the bill is that it gives complete authority for siting LNG facilities to the federal government. Whether someone is for or against LNG in Maine, nearly everyone agrees that local residents should have a say in whether or not there is an LNG facility in their community. This bill writes local communities out of the process," said Congressman Michaud.

The bill also includes a provision not in the House bill that allows the Interior Department to conduct an inventory of oil and natural gas resources in the outer Continental Shelf (OCS) to assess the extent of these resources. This is the first step in increasing offshore gas drilling throughout the country, and possibly in Georges Bank, critical fishing grounds for Maine fishermen.

"This bill is the first step in exploring oil and gas drilling in Georges Bank. There are enough challenges that Maine fishermen face without having to worry about offshore gas drilling in New England's most important fishing grounds, said Michaud."

Despite these significant problems, there are some improvements to the Energy Bill compared with the version of the bill passed by the House of Representatives in April. The bill includes an extension of the Production Credit for wind and biomass energy and extends the placed-in-service date by two years, ensuring that facilities in the ground by 2007 are eligible for the tax credit.

"I was pleased to see that there were provisions in the bill that will cut taxes for producers of wind and biomass energy. These technologies generate renewable energy and can create jobs in Maine." said Congressman Michaud.

"While there have been some improvements, overall, the bill will do nothing to lower gas prices, little to reduce our dependence on foreign oil, and it fails to provide an energy policy for the 21st century."

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